CORPORATEGEAR.COM

Exchange
1999 Development Plan

September 28, 1999

Exchange Concept

The Corporategear.com exchange concept

Corporategear.com offers a branded, standard method of purchase within the promotional products industry, with the goal of becoming a dominant, branded business portal.

Standard business model

Historically, the promotional products industry has operated under a linear supply-chain model of distribution. Under this traditional business model, customers purchased promotional products from distributors, who purchased these products from suppliers. Business service partners provided shipping and insurance for the transactions, while the media partners supplied industry information.

Linear exchange model

media partners

business service
partners

vendor partners   resellers   customers
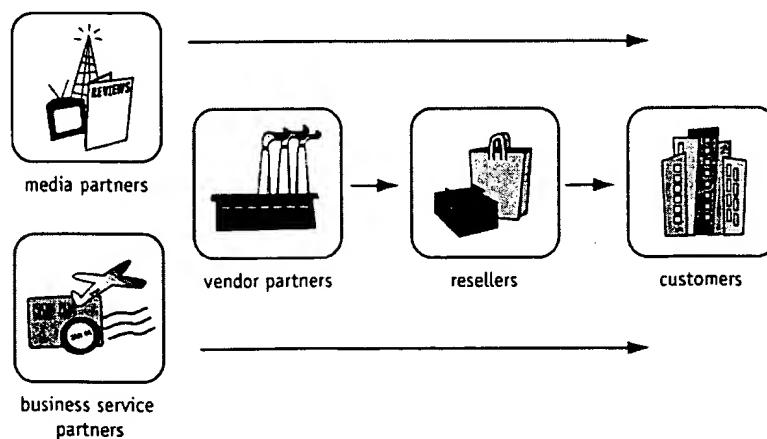
The Corporategear.com Exchange

The Corporategear.com business model expands the traditional linear method of industry distribution by providing a central, real-time exchange that benefits all parties. This exchange creates a community environment for all players in the promotional products industry and provides services that establish a web presence for each member. Business-to-business services available to each member through the exchange will promote operational efficiency and cost effectiveness. The goal of the exchange is to build a core foundation of services for use over the Internet that provide an easy and global method of facilitating business transactions amongst its members in a common environment.
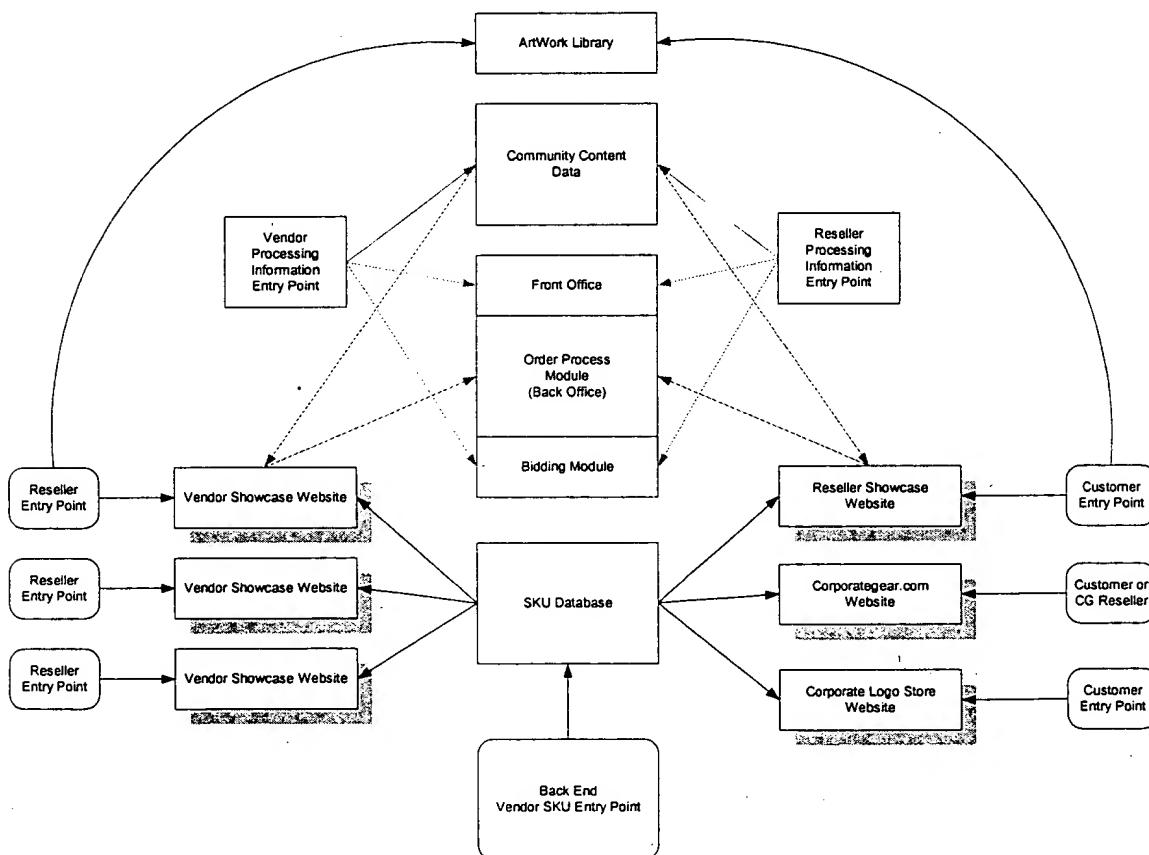
Users attitude toward the Exchange:

The first piece of the exchange was launched in August of 1999 as the Corporategear.com website. To date the response has been positive from industry players that have either used the site or been familiarized with the concept.

Industry Standards:

Corporategear.com has initiated dialogue with the Promotional Products Association International (PPAI), the trade association for the promotional products industry. The PPAI has expressed an interest in collaborating with Corporategear.com in the development of industry standards for conducting business over the Internet.

Needs & Operational Efficiencies

Objective:
The market object of the Exchange is to bring the five members of the industry together in a business-to-business e-commerce environment over the Internet. The goal is to standardize the practices in a fragmented industry by providing efficient services for each member. To accomplish this task requires building a scalable enterprise application to cover all the members in the industry.

Components in the business-to-business Exchange must address the following concerns. These concerns drive the features of the exchange.

1) The members' needs
2) Create operational efficiency for the members.
3) Ease of use

Vendors / Suppliers

Needs	Operational Efficiencies & Benefits
Product Database	• Central Product / SKU database to add/change by the vendor in real time. • A standard format for storing product details. • Additional distribution channels for product sales. • Reduced error rates.
Website Presence	• On-line Product & price information. • Web Presence in the form of a Vendor Showcase Website. • An e-commerce purchase solution for the Reseller chain.
BackOffice Processing	• Faster and accurate processing for ordering and accounting functions.
Front Office Processing	• Streamlines customer service between exchange channels. • Demographic reports for products and buying habits.
Auctions / Bidding	• Outlet for increasing sales.
Media and Business Partner Community	• Sharing and providing community information and services for industry. • Access to low cost shipping, insurance and financing. • Market research info.

Resellers / Distributors / Company Logo Stores

Needs	Operational Efficiencies and Benefits
Product Database	• Real-time product data. • Guaranteed pricing from vendor partners. • Sourcing efficiency for customers requests.
Website Presence	• Web presence in the form of a Reseller Showcase website or Company Logo Store. • An online catalog of preferred product details. • Real time product information e-commerce solution for customer purchases. • Direct purchase from Vendor Websites.
BackOffice Processing	• Faster processing for ordering and accounting functions between exchange members. • Reduced administrative costs and shorter sales cycle.
Front Office Processing	• Streamlines customer service between exchange channels. • Customer marketing & demographic info. • Low cost contact management.
Auctions / Bidding	• Ensures best pricing.
Media and Business Partner Community	• Sharing and providing community information and services. • Financing options.

Customer

Needs	Operational Efficiencies and Benefits
Product Database	• Easy sourcing from the largest selection of product information. • Lower prices. • Easier entry for firms wishing to build their brand and corporate identity.
Website Presence	• Online e-commerce solutions for shopping and sourcing. • Reduced selection and customization time. • Central location to store company logo images. • One stop shopping for branding solutions.
Front Office Processing	• Access to order status and history.
Auctions / Bidding	• Ensures best pricing.
Media and Business Partner Community	• Sharing and providing community information and services. • Lower cost, high quality with value-added branding advice.

Business Partners

Needs	Operational Efficiencies and Benefits
Website Presence	• Online e-commerce services for the exchange channels. • Access to the Exchange membership and new customers. • Additional opportunity to promote their brand and services.
BackOffice Processing	• Streamline service options and order processing between exchange members.

Media Partners

Needs	Operational Efficiencies and Benefits
Website Presence	• Additional exposure to published media. • Real-time information dissemination.
Media and Business Partner Community	• Sharing and providing community information and services. • Advertising. • Access to the Exchange Membership to promote their services.

Product Strategy

The product strategy for development is to utilize existing software solutions to create the Exchange, wherever possible. By incorporating existing enterprise applications into the Exchange all members benefit by receiving scalable solutions with an abundance of services. The task of development is simplified by selecting enterprise applications from leaders in their respective fields. Development can focus on customizing established applications to work together and adding the unique features that are required by the exchange. This strategy shortens the development time and costs.

The entire Exchange is broken down into component areas:

1) The platform operating system for the Exchange:

Corporategear.com has chosen Microsoft's internet operating system as a platform for the Exchange. Its wide acceptance and abundance of developers in the community make it a premier platform for the application.

2) The e-commerce shopping experience :

Microsoft Site Server Commerce Edition was chosen as the e-commerce shopping solutions for the Exchange. It is clearly the leading technology for the internet and has a community of solution providers for development.
The Personalization and Membership Services of Site Server enhances the content for online shoppers.
Cybercash provides the secure credit card processing for the online shoppers.

3) The Data Layer Services:

Microsoft SQL server was chosen for its scalable and robust database services for the exchange. Its widely accepted data model makes other application interactions easy to develop.

4) The Business Layer

Microsoft technologies Transaction server and Message queue where chosen for scalability and adaptation into the data services. A large community of developers for this technology enables cost effective programming for the Exchange. Common object can be easily created in this platform and shared among other applications in the Exchange.

5) The BackOffice Solution:

Great Plains Dynamics e-Enterprise application is an accounting and order processing solution for the internet. It is a leading and well-established developer of back office solutions. The product is designed for seamless integration into Microsoft technologies.

6) The Front Office Solution:

Siebel Enterprise applications are the leading customer relations management software in the market. It has a long-standing reputation as a leader in development and customer service. Great Plain and Siebel have joined together in a partnership to combine their enterprise applications into an ecommerce solution. The integration into Microsoft technologies is native to the application.

7) The Exchange membership and custom website platform:

Microsoft's membership LDAP technology scales and integrates natively into the Microsoft Platform.
The Portal Infranet application is currently used by MSN as the platform for enabling personalize website transactions. Once an ISP, Portal's application is the industries leading Internet solutions for capturing transactions on custom websites. The Infranet product works directly with Microsoft's e-commerce products as well as Great Plains e-Enterprise application.

Corporategear.com Logical Architecture

Presentation Layer | *Business Services Layer* | *Data Layer*

Databases (clustered)

- SKU
- Site Server Personalization and Membership
- Great Plains Dynamics
- Siebel Sales Enterprise
- Portal Intranet

Accounting
Sale
Metering

Web Farm

- COM+ Business Objects
- Site Server Commerce Servers
- Personalization & Membership
- 3rd Party Components (CyberCash, TaxWare, Great Plains, et al.)
- Microsoft Message Queue
- CDONTS/ SMTP Send Mail
- ASP/ HTML
- IIS Servers
- L D A P

Lightweight Directory Access Protocol

Collaborative Data Objects NT Server Simple Mail Transport Protocol

Microsoft Transaction Server

NT Servers

Component Object Model

Request
Response

Microsoft Internet Information Servers

Active Server Pages & Hypertext Markup Language

Internet Explorer 4.0 and higher Netscape 4.0 and higher

10

9/29/99

Development Methodology

Corporategear.com adopted a widely used development method. The process consists of five stages for building an application.

Application Prototype Development Cycle
- **Discovery**
Collect and review needs for the project

- **Define**
Outline the objectives and business requirements for the application.

- **Design**
Create a timeline specification and blueprint to build the application.

- **Develop**
Write the application code against the blueprint.

- **Deploy**
Run and test the finished prototype application code in the operating environment.

Corporategear.com approaches the development of the Exchange in an Evolutionary Method. The components of the exchange will be deployed as a prototype with the opportunity for a limited number of members to use the components and provide feedback. Upon completing the collection of feedback, the component will return to the methodology stages and evolve into a production version.

Application Development Cycle
- **Discovery**
Based on feedback from the prototype review the original needs for the project and adjust if appropriate.

- **Define**
Review the original objectives and business requirements and adjust if appropriate.

Design
Create a timeline specification and blueprint to implement the changes.

• **Develop**
Write the application code against the blueprint.

• **Deploy**
Run and test the finished production application code in the operating environment, and implement it in the Exchange.

Strengths of using this methodology:
• Each component in the Exchange can be developed independently.

• Generate revenue at each stage of the development process.

• Achieve customer driven components in the exchange by applying the evolutionary process.

• Control the development costs in the stages and by component.

Milestones
To measure the success of the Exchange the components are scheduled to achieve development milestones. Following the methodology, a time line for achieving a milestone is native to the process.

Exchange Components

The Exchange has been disassembled into nine component applications.

1) Overall Exchange:

The basic structure for the Exchange.

Each component application is programmed to be "stateless". To achieve this type of connection the Transaction server and Message Queue services of the Exchange, which form the Business Layer, passes the information onto the Database. This type of application allows for greater scalability as well as database protection. Stateless applications require significantly more design and programming time and effort.

2) Vendor Product (SKU) Database and Services:

This component of the exchange offers a core database of all vendor product, pricing, and imprinting information and the ability to elect services in the exchange.

a) Product (SKU) database services

Subscription
• Vendor pays a subscription fee based on their size for use of the product database. Additional services selected are charged separately based on usage.
• Vendors are assigned a user ID and a password
Product Information
• Vendors have the ability to enter Product information in the SKU database including;
• General product information.
• Imprinting information based on dynamic product entry*
• Quantity breaks.
• Net pricing per quantity.
• Net setup costs by imprint method, number of locations, and number of imprint colors.
• Net run charges per quantity based on imprint colors.
• Add a markup % for each quantity to create their own retail pricing.
• Vendors have the ability to enter a flag to delete a product and all associated artwork files.
*Dynamic Product Entry
• Adding product information to the database is dynamic and displays

only necessary fields based on the imprint method for each product. Example: Embroidery stitching parameters are displayed only it the product allows for embroidery.
SKU # • The product database automatically generates SKU numbers for all colors, sizes, and imprint locations. • Vendors are charged on a per SKU basis.
Vendor Artwork Vendors have the ability to; • Upload original product artwork file at any time for any or all SKUs generated for product. • Upload 3 thumbnails (small, medium, large) at any time for any or all SKUs generated for product. • Vendors are charged for the storage space of original and thumbnail artwork on a per megabyte basis.

b) Product placement / Advertising services

Product Placement and Search Position Programs
The vendor has the following options to display their products on the corporategear.com website on specific calendar dates. The fees are based on a daily rate and per hit rate.
Vendors can elect;
 	
• Product Placement (Editorial Level). Allows them to position a SKU in the Content Area of the Corporategear.com website.
• Product Placement (HomePage Level). Allows them to position a SKU on the HomePage of the Corporategear.com.
• Search Position Product Placement Program. Offered in 3 levels.
   • Level 1 Rank 1 – product displayed first in a search
   • Level 2 Rank 2 – product displayed second in a search
   • Level 3 Rank 3-10 – product displayed in the third to tenth position in a search
• Search Position Product Placement Program offered can be selected based on;
   • Product List
   • Price Point
   • Category
   • Idea or Department
   • Text Search (top 100 words) vendor can buy a text word.

c) Additional Vendor services

The following additional services are available to vendors.
- Content services are details in the Community Content section of the exchange.
- Marketing information services are detailed in the Front office section of the exchange.

3) Vendor Showcase Website:

A Vendor Website presence displaying vendor product information and providing inquiry & ordering access to resellers.

a) Vendor Showcase Website services

Subscription
- Vendors pay a subscription fee based on their size to have a Showcase Website. Additional services selected are charged separately based on usage.
- Vendors receive an allotment of traffic for their Showcase Website. Additional Traffic over the allotment is charged on a megabyte bandwidth per month basis.

Showcase Website
- Vendors can choose which SKU images display on their Showcase Website.
- Vendors can elect to purchase content from the Community Content Database in the Exchange to display on their Showcase website.
- If required corporategear.com will customize the Vendor Showcase website. This service is charged on an hourly basis.

b) Vendor Showcase website reseller services

Reseller Registration
- Reseller registration form. Allows reseller to choose a User ID and password to use vendor website services.
- Reseller registration can be approved/rejected by Vendor.
- Vendor can approve usernames and access password for Resellers to login to their Showcase Website.

Showcase Website Services
Vendors can offer the following services to resellers on their Showcase website;
- Resellers can order products for their customers from the Vendor Showcase Website.
- Corporategear.com charges the vendor a percentage of each transaction processed through the Vendor Showcase website. The order processing services are detailed in the Back Office section.
- Resellers can view the net unit price, net setup price, and net run charges.
- A quote service for resellers to generate a quote for themselves.

showing manufactures suggested prices and net prices.

- A customer quote service to allow resellers to create purchase quotes for their end customers and change the pricing by adding their own mark up.
- Acknowledgments for orders placed by resellers from the Showcase Website.
- Attach customer artwork files to orders.
- Change order service. This allows resellers to put through a change order for a current acknowledgment.
- Invoice service for resellers to generate invoices for their end customers.
- Statement service to resellers listing quotes and acknowledgements for a customer.
- View community content.
- Elect insurance against errors in the entire production process.
- Select services provided by business partnerships in the Community content component.
- Select shipping method or provide their own shipping information.

4.1) Corporategear.com website

A website presence providing a variety of promotional products, inquiry & ordering access to customers and resellers.

a) Customer services on Corporategear.com Website.

Website services

The corporategear.com website offers the customer the following options:

- View a selection of high quality products and their images.
- Select products based on a variety of criteria
- View the product unit price, setup price, and run charges.
- Offer a quote service for customers to generate a quote for themselves showing prices at quantity breaks.
- Customer can order products from the website.
- Charge orders to a credit card or to a credit account opened with Corporategear.com
- Acknowledgments for orders placed by customers from the Website.
- Interactive logo placement on Product SKU image.
- Attach artwork files from the Artwork Library to their order.
- Order history listing quotes and acknowledgements for a customer.
- Review industry and media content.
- Store and manage their company logo artwork files in the Artwork Library.
- View community content.
- Elect insurance against errors in the entire production process.
- Select services provided by business partnerships in the Community content component.
- Select shipping method or provide their own shipping information.
- Custom search. Offered on a one time charge.

b) Reseller services on Corporategear.com Website

Website services

The corporategear.com website offers the Reseller the following options;

- All services available to corporategear.com customer detailed above.
- Corporategear.com charges the reseller a percentage of each transaction processed through the Corporategear.com website. The order processing services are detailed in the Back Office section.

- Reseller can view and order from the entire Vendor Product SKU Database.
- Resellers can view the net unit price, net setup price, and net run charges.
- Offer a quote service to generate a quote for themselves showing manufactures suggested prices and net prices.
- A customer quote service to allow resellers to create purchase quotes for their end customers and change the pricing by adding their own mark up.
- Change order service. This allows resellers to put through a change order for a current acknowledgment.
- Invoice service to generate invoices for their end customers.
- Statement service listing quotes and acknowledgements for a customer.
- Resellers can store their clients artwork online in the Corporategear.com Art Library Module.

c) Additional Reseller services

The following additional services are available to resellers.
- Content services are details in the Community Content section of the exchange.
- Marketing information services are detailed in the Front office section of the exchange.

4.2) Reseller Showcase Website

A Reseller website presence displaying products selected by the Reseller for resale to his customers.

a) Reseller Showcase Website services

Subscription
- Reseller pays a subscription fee based on their size to have a Showcase Website. Additional services selected are charged separately based on usage.
- Reseller receives an allotment of traffic for their Showcase Website. Additional Traffic over the allotment is charged on a megabyte bandwidth per month basis.
- If required corporategear.com will customize the Reseller Showcase website. This service is charged on an hourly basis.

Showcase Website
- Resellers can choose which SKU images display on their Showcase Website from the entire Product SKU database. Resellers are charged per SKU.
- Reseller can choose to display the non-branded SKU images or their own logo on the SKU images. Resellers using their own branding logo on the images will be charged for branding each SKU.
- Reseller can elect to purchase content from the Community Content Database in the Exchange to display on their showcase website.

b) Reseller Showcase website customer services

Website services

Resellers can offer the following services to their customers on their Showcase website;
- Customer can view the product unit price, setup price, and run charges.
- Offer a quote service for customers to generate a quote for themselves showing prices at quantity breaks.
- Customer can order products from the website.
- Corporategear.com charges the reseller a percentage of each transaction processed through the Reseller Showcase website. The order processing services are detailed in the Back Office section.
- Charge orders to a credit card or to the Resellers credit account opened with Corporategear.com.
- Acknowledgments for orders placed by customers from the Website.
- Attach artwork files to orders.

- Order history listing quotes and acknowledgements for a customer.
- View community content.
- Elect insurance against errors in the entire production process.
- Select services provided by business partnerships in the Community content component.
- Select shipping method or provide their own shipping information.

c) Additional Reseller services

The following additional services are available to reseller.
- Content services are details in the Community Content section of the exchange.
- Marketing information services are detailed in the Front office section of the exchange.

4.3) Company Logo Stores

A website presence displaying products selected by the store owner for resale to his customers.

a) Company Logo Stores Website services

Subscription
- Store owner pays a subscription fee based on their size to have a Company Logo Website. Additional services selected are charged separately based on usage.
- Store owner receives an allotment of traffic for their Company Logo Website. Additional Traffic over the allotment is charged on a megabyte bandwidth per month basis.
- If required corporategear.com will customize the Company Logo Store website. This service is charged on an hourly basis.

Company Logo Store
- Store owner can order from the corporategear.com website with the delivery point to the fulfillment house designated to handle the Company Logo Store inventory.
- Choose which SKU images display on their Company Logo Store from the entire Product SKU database. Store owner is charged per SKU.
- Store owner is charged for branding each SKU.
- Store owner can elect to purchase content from the Community Content Database in the Exchange to display on their showcase website.

b) Company Logo Store customer services

Company Logo Store services
Store owner can offer the following services to their customers on their Company Logo Stores;
- Customer can view the product unit price.
- Offer a quote service for customers to generate a quote for themselves showing prices at quantity breaks.
- Customer can order products from the website.
- Corporategear.com charges the Store owner a percentage of each transaction processed through the Company Logo Store website. The order processing services are detailed in the Back Office section.
- Charge orders to a credit card or to the Store owner credit account opened with Corporategear.com.
- Acknowledgments for orders placed by customers from the

Website.

- Order history listing quotes and acknowledgements for a customer.
- View community content.
- Elect insurance against errors in the entire production process.
- Select services provided by business partnerships in the Community content component.
- Select shipping method or provide their own shipping information.

5) Back Office:

The back office component checks credit, processes the order and generates the appropriate payment and accounting entries.

a) Internal order processing

Processing for all orders
- Receive the orders from credit card processing.
- Check the credit account opened with Corporategear.com and allows the order to complete if balance is acceptable.
- Review/ edit and release the P.O. to the product and/or imprinting vendor.
- Review/ edit and release a Reseller "Change order" PO on an existing order to the product and/or imprinting vendor.
- Post P.O.s and invoices to the Corporategear.com G/L
- Create Vouchers to pay vendors, shipper, and resellers for completed order.
- Calculate financing charges on a % basis for the orders.
- Automatic Email response back to customer or reseller when order is actually shipped.

Order Information
The following order information is available to the appropriate member of the exchange.
- Create an invoice for the customer or reseller.
- Run a statement for vendor, reseller or customer.
- Provide job costing information to Reseller and Vendors.

b) Vendor Showcase website

Additional Option for Reseller Orders
- Review/ edit and release the P.O. to Corporategear.com.
- Review/ edit and release a "Change order" PO on an existing order to Corporategear.com.

c) Reseller Showcase website

Additional Options for Customer Orders
- Review/ edit and release the P.O. to Corporategear.com.
- Review/ edit and release a "Change order" PO on an existing order to Corporategear.com.

d) Company Logo Stores

Order Processing for stock for Company Logo Store

- Review/ edit and release the P.O. to Corporategear.com.
- View the product inventory balances.

6) Front Office:

The Front Office provides the facility to communicate between members of the exchange. It provides order status and history information.

a) Services on all websites

Options for customers or resellers
- View / Edit Reseller or Customer descriptive shopper information
- View Reseller or Customer order history and purchases.
- View the vendors order status, due date and shipping information for an order.
- Direct email to customer or reseller on order delays or updates.
- Add notes on customers or resellers into their service history.
- View the current balance on their term accounts.

Vendor options on all websites
- Add order status, accept due date and post shipping information.

b) Additional Vendor Showcase website services

Vendor to Reseller relations
- View Reseller shopper information.
- View Reseller order history and purchases.
- Automatic Email response back to reseller when order is actually shipped.

Reseller to Vendor relations
- View order history.
- View/Edit shopper information.
- For any order see the status, due date and shipping information.

c) Corporategear.com website services

Internal operations to Customer relations
- View / Edit Customer shopper information
- View Customer order history and purchases.
- View the vendors order status, due date and shipping information.
- Automatic Email response back to customer when order is actually shipped.
- Direct email to customer on order delays or updates.
- Add notes on customers into their service history.

Customer relations
• View order history
• View/Edit shopper information.
• For any order see the status, due date and shipping information. (Vendor identification is never revealed)
• View the current balance on their term account.

d) Additional Reseller Showcase website services

Reseller to Customer relations
• View Customer shopper information.
• View Customer order history and purchases.
• Automatic Email response back to customer when order is actually shipped.

Customer to Reseller relations
• View their order history.
• View/Edit shopper information.
• For any order see the status, due date and shipping information. (Vendor identification is never revealed)
• View the current balance on their term account.

e) Company Logo Store services

Store Owner to Customer relations
• View Customer shopper information
• View Customer order history and purchases.
• View the vendors order status, due date and shipping information.
• Automatic Email response back to customer when order is actually shipped.

Customer relations
• View their order history.
• View/Edit shopper information.
• For any order see the status, due date and shipping information. (Vendor identification is never revealed)
• View the current balance on their term account.

f) Market information services for Vendors, Resellers and Customers

Market Reports
- Account summary option. This generates reports of the buying habits from resellers and customers against SKU's.
- Web Hits habits report. A summary of the resellers and customers viewing habits against SKUs.
- These services are charged on a fee per report basis.

7) Auction / Bidding Exchange:

Resellers or customers present large orders to the exchange. Vendors bid on the jobs.

a) Internal Corporategear.com services

Internal bidding / auction
• Post price bid on product or imprinting order on the auction site. • Edit or withdraw bid before terms are accepted. • Quality control on bids for product or imprinting order. • Automatic Email notice to vendor on being awarded the order from the auction holding process.

b) Vendor Services

Vendor bidding
• Post price bid on product or imprinting order into the auction site.

c) Reseller Services

Resellers order auction
• View the auction site and see price bids on product or imprinting for their orders. • Automatic Email notice to reseller on which vendor is awarded the order from the auction site. • Automatic Email to Reseller's customer.

8) Community Content:

This component provides an interface with Corporategear.com media partners and business partners. Customers, Resellers and Vendors can select the appropriate services.

a) Media or Business Partner services

Listing / advertising options on the Corporategear.com website are available on a monthly and per hit fee charge.   - Sponsorships.   - A listing in our directory of services.   - Banner space for advertising.   - A listing in our Events Listing.
Partners can offer the following services on the Corporategear.com website;   - Post job listings pertaining to the promotional product industries. A per posting fee charge.   - Education to Customers. Corporategear.com would resell the education with a markup %.   - Ask the Expert Services to Customers. Corporategear.com would resell the services with a markup %   - Alert System for Customers. Corporategear would offer the service on a per incident basis.   - Industry statistics and advanced reports.
Design Services on all websites for Customers, Resellers or Vendors.   Design Services from Corporategear.com for artwork recommendations, creation, and retouching. This fee will be charged on a per hour basis.
Affiliate Marketing Program   - Affiliate or Associate Marketing Relationship. Corporategear.com would charge a % on the sale or click through to the Media Partners content. Corporategear.com would give Media Partners a % on the sale of a Corporategear.com product or service.   - Content in the exchange is for any member of the exchange to resell on their website. This is offered in different levels of access.

9) Artwork Library:

Customers logos and branding artwork is stored on the Corporategear.com website.

a) Corporategear.com website

| Customer Artwork Library services |
| --- |
| • Customers create a library and store their company brand logos online. |
| • Customers share their art library with other users by granting them access with a password. |
| • Customers add, edit and delete their logos in their art library. |

Dependancy

Since the exchange is broken down into components, the following displays dependant relationships between the services and components.

| Component dependant on	Vendor Product SKU Database	Vendor Showcase Websites	Reseller/ Corporategear.com Company Logo Stores	Back Office	Front Office	Auction/ Bidding	Community Content	Artwork Library
Product SKU Database	X	X	X	X	X	X		
Vendor Showcase Websites	X	X		X	X		X	
Corporategear.com Website	X		X	X	X	X	X	X
Reseller Showcase Websites	X		X	X	X	X	X	
Company Logo Stores	X		X	X	X			
Back Office		X	X	X		X		
Front Office		X	X		X			
Auction / Bidding	X		X	X		X		
Community Content		X	X					
Artwork Library			X					X

Development Spending

Corporategear.com's Exchange will incur significant up front development costs in order to secure a leadership position in the industry and quickly build an enterprise application for all of its members. Using the methodology approach for each component in the Exchange, the overall percentages of the development costs can be broken down as follows.
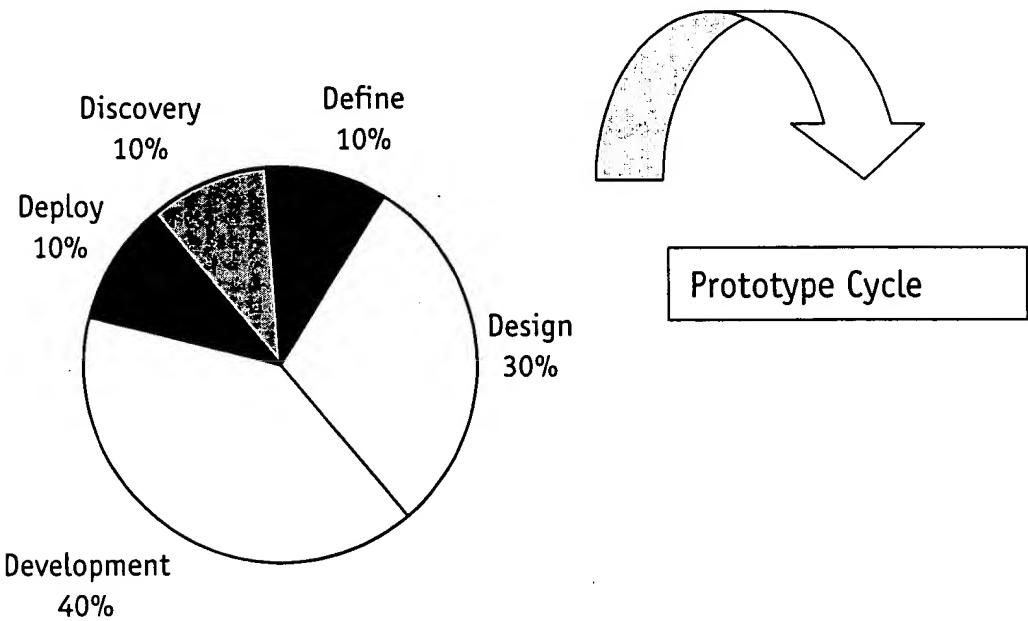
As a result of the five stages in the cycle a working revenue producing prototype of the component is produced. Feedback is received and then the cycle repeats resulting in a full function version of the component.
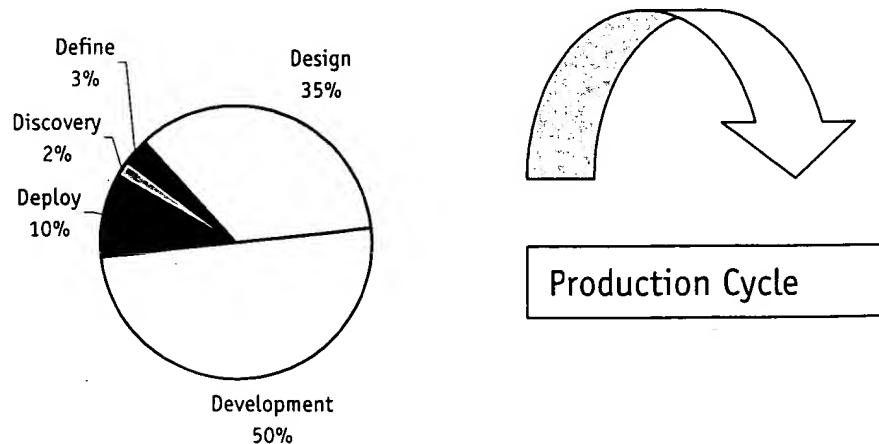
# Total cost of development for the Exchange broken down by components.
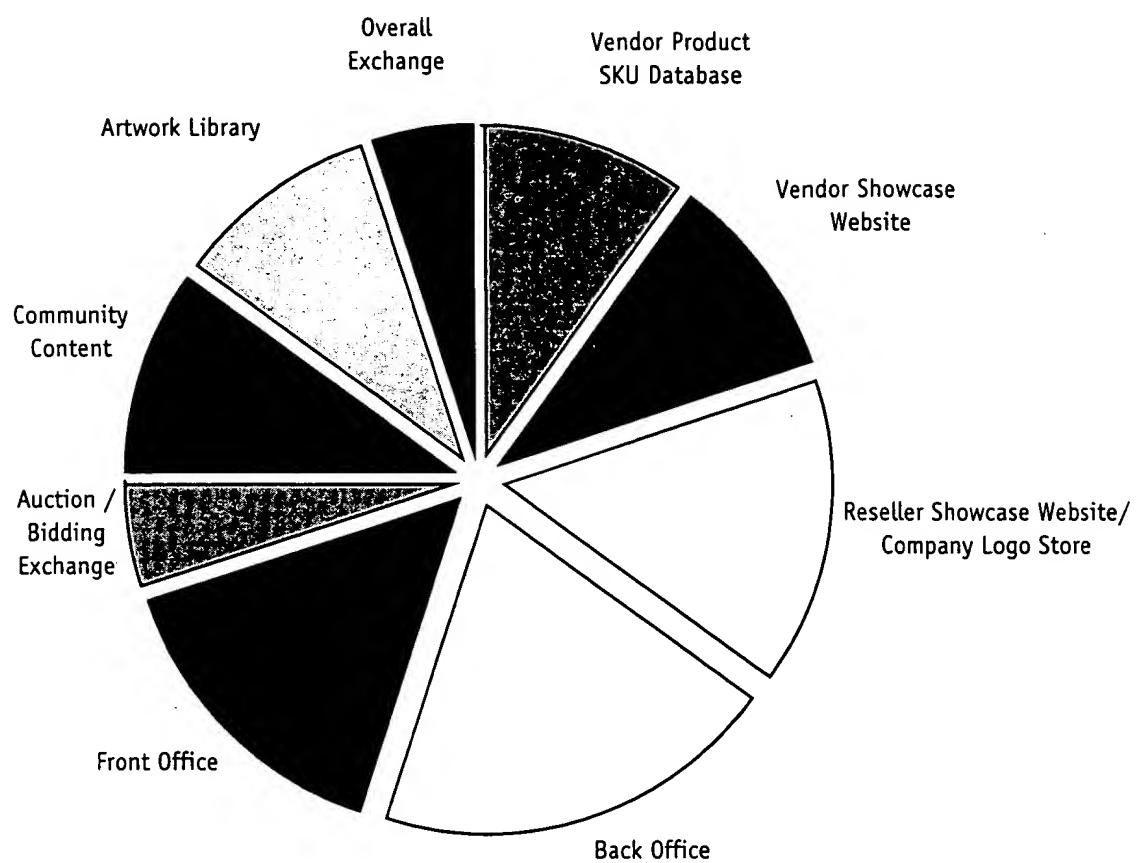
Software Acquisition	Overall Exchange	Vendor Product SKU Database	Vendor Showcase Websites	Reseller/ Corporategear.com Company Logo Stores	Back Office	Front Office	Auction/ Bidding	Community Content	Artwork Library	Priority	Initial Cost
Corporategear.com Exchange Use											
Portal.com			X	X	X	X				Low	175,000 - 25000 website users
Microsoft SQL7 Database Server	X	X	X	X	X	X	X	X	X	High	10,000 - Enterprise License
Microsoft Site Server Commerce 3	X	X	X	X	X	X	X	X	X	High	16,000 - Internet License
Microsoft Transaction Server	X	X	X	X	X	X	X	X	X	High	3,000 - Enterprise License
Microsoft Message Queue	X	X	X	X	X	X	X	X	X	High	3,000 - Enterprise License
Microsoft LDAP Server	X		X	X	X	X		X	X	High	3,000 - Enterprise License
Microsoft NT4 Server Operating System	X	X	X	X	X	X	X	X	X	High	25,000 - Enterprise License
Corporategear.com Internal Use											
Great Plains eEnterprise					X					Medium	135,000 - 6 CG users
Siebel Sales Enterprise						X				High	60,000 - 5 CG users
TOTAL COST											**430,000**

| Equipment	Purpose	Cost
F5 Big IP Load balancing redundance units	Traffic Controller	26,000
2 Cisco Router	Servers to Network connector	6000
3 Application Servers	Runs software applications	36,000
2 Web/SQL servers	Runs the Web and Database	30,000
Disk Storage Unit	Stores data from database	27,000
Monitor/Switch /Mouse/Keyboard	Display for servers	1000
TOTAL		126,000

F5 Big IP Load Balancing

F5 Big IP Load Balancing

Router

Siebel

Great Plains

Portal

Router

WebServer (backup) SQL7 Data Server

WebServer SQL7 Data Server (backup)

Disk Storage Unit

36
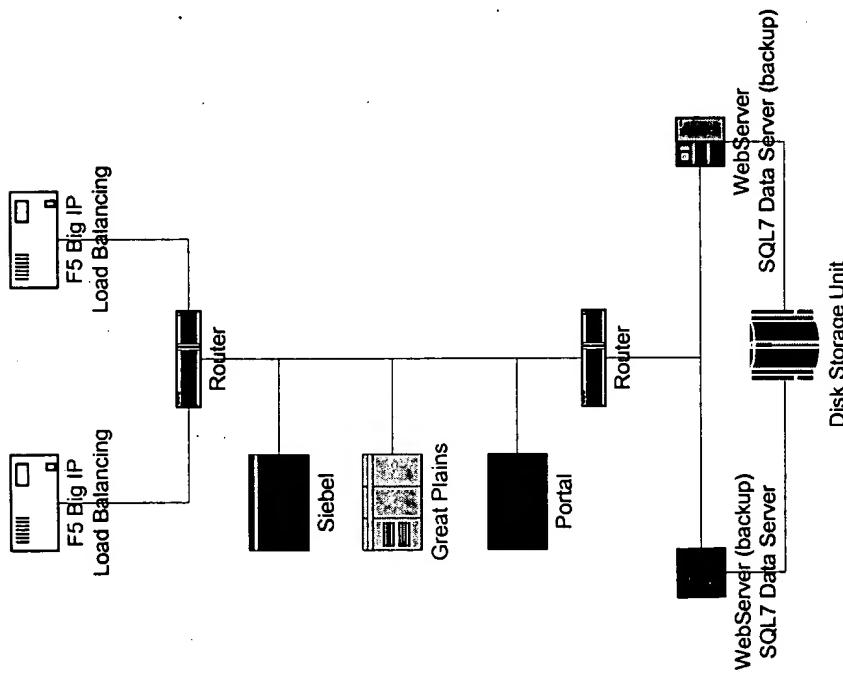
Exodus Hosting Costs

Service	Description	Cost / Monthly	Setup
1 full cage (4 rack space)	Storage and rack mount servers and equipments	8000	3300
Fast Ethernet Network	Create connection to the Exodus internet Backbone from cage / racks		2900
1 MG sustained bandwidth	Bandwidth allotment for internet access into the servers / websites	1350	1350
Variable Usage Costs	Bandwidth charge for over 1mg sustained usage.	1000	N/A
Redundant power supply (4 racks)	Un interrupted electrical feed for each rack in cage.	1380	1380
Virtual Private Network	Direct T1 line from the cage racks to the corporategear.com offices	450	450
Monthly Monitoring Service (5 servers)	Enhanced 24/7 monitoring service by Exodus engineers of the server applications	950	1875
DataVault Services (5 servers)	Backup service and offsite storage of data from application servers	3100	3750
Cisco Pix Firewall	Firewall service to protect the applications servers from intruders	3300	2200
TOTAL		18,530	17,205

Customization and integration costs for each component based on the development methodology.
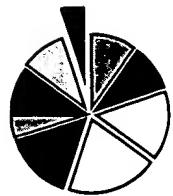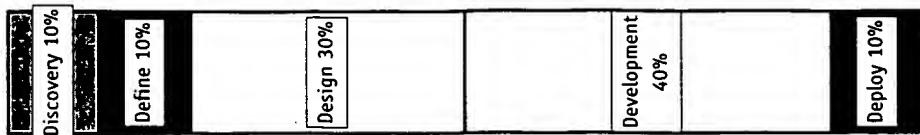
1) Overall Exchange:
   Customization and Integration development costs.

Worker	Hours	Cost
Project Manager	180	27,000
Database Administrator	100	14,000
Site Server Programmer	140	19,600
TOTAL for Prototype	*420*	*60,600*
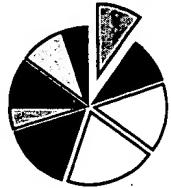
2) Vendor Product (SKU) Database:
   Customization and Integration development costs.

Worker	Hours	Cost
Project Manager	160	24,000
Database Administrator	80	11,500
Code Programmer	120	17,000
TOTAL for Prototype	*360*	*52,500*
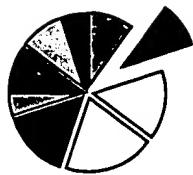
3) Vendor Showcase Website:
Customization and Integration development costs.

| Worker	Hours	Cost
Project Manager	200	30,000
Database Administrator	80	11,500
Code Programmer	120	17,000
Site Server Programmer	160	22,400
HTML Programmer	80	11,200
TOTAL for Prototype	*640*	*92,100*
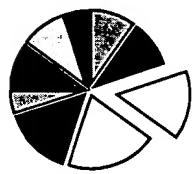
4) Corporategear.com Website / Reseller Showcase Websites / Logo Stores:
Customization and Integration development costs.

Worker	Hours	Cost
Project Manager	240	36,000
Database Administrator	120	16,800
Code Programmer	160	22,400
Site Server Programmer	200	28,000
HTML Programmer	120	16,800
TOTAL for Prototype	*840*	*120,000*
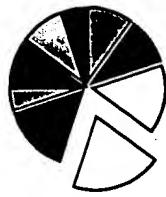
5) Back Office:
Customization and
Integration development costs.

Worker	Hours	Cost
VP Development	400	90,000
Integration Specialist	100	18,500
Programming Developer	400	60,000
Principal Developer	100	30,000
Code Programmer	80	11,200
TOTAL for Prototype	*1080*	*209,700*
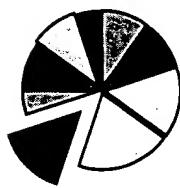
6) Front Office:
Customization and Integration
development costs.

Worker	Hours	Cost
Project Manager	240	36,000
Database Administrator	160	22,400
Code Programmer	200	28,000
Site Server Programmer	200	28,000
TOTAL for Prototype	*800*	*114,400*
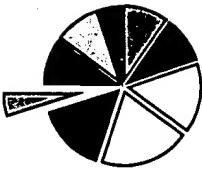
7) Auction / Bidding Exchange:
Customization and Integration development costs.

Worker	Hours	Cost
Project Manager	160	24,000
Database Administrator	160	22,400
Code Programmer	160	22,400
Site Server Programmer	80	11,200
HTML Programmer	40	5,600
TOTAL for Prototype	600	85,600
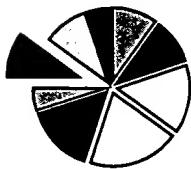
8) Community Content:
Customization and Integration development costs.

Worker	Hours	Cost
Project Manager	160	24,000
Database Administrator	120	16,800
Code Programmer	120	16,800
Site Server Programmer	80	11,200
HTML Programmer	160	22,400
TOTAL for Prototype	640	91,200
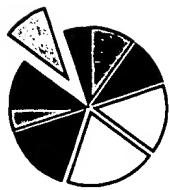
9) Art Library:
Customization and Integration development costs.

Worker	Hours	Cost
Project Manager	120	18,000
Database Administrator	80	11,200
Code Programmer	120	16,800
Site Server Programmer	80	11,200
HTML Programmer	20	2,800
TOTAL for Prototype	*420*	*60,000*

Summary

Exchange Costs	
Software Acquisitions	430,000
Hardware Costs	126,000
Exodus Setup Costs	17,200
Software Customization & Integration Costs	886,100
TOTAL	1,459,300

The above cost of equipment and physical hardware will be sufficient to deploy all components in a production stage of development. If user volumes increase the equipment and hardware costs will increase.

Technology Terms

Technology	Description
Presentation Layer	Provides presentation, access, and validation services to the users of the Commerce system
Business Layer	Processes information supplied by the user based upon business and data logic. Provides Web services, application security, and serves as a point of integration for Data Services. Performs user management, order processing, and information interchange, running promotions, and advertisements, processing data based upon business logic, and other commerce related services
Data Layer	Provides services aimed towards data storage, simplified programmatic access, and legacy data connectivity
Internet Information Server (IIS)	Microsoft's Web Server
Hypertext Markup Language (HTML)	The core language of Web browsers, be the browser Microsoft's Internet Explorer or Netscape's Navigator
Active Server Pages (ASP)	A scripting environment that facilitates server-side program execution under the control of IIS
Microsoft Transaction Server	A technology that eases the development and administration of scalable, secure N-tier applications
Component Object Model (COM)	An interface standard, together with a set of operating system services that facilitates interoperability between software components
Microsoft Message Queue Server	A technology that facilitates interoperability in some ways not offered directly by COM – specifically asynchronous communications between systems that might not have a reliable real-time connection
Microsoft SQL Server	A relational database management system (RDMS) which is used store data
Microsoft Visual Basic	An industry-standard rapid application development (RAD) language
Microsoft Site Server	A server that integrates several components of on-line business that allow the construction and monitoring of internet-based commerce services

GLOSSARY

CG.C or CG

Abbreviation for Corporategear.com.

CG Exchange

- All CG resources (software, commerce, community, content, etc.)
- Offered as transaction environment to Customers, Resellers, Vendor Partners, Media Partners, and Business Service Partners

CG Client Interface Websites

- Web-published portion of CG Exchange allowing access to CG Exchange resources
- Includes CG Product Website, Registered Reseller services, Vendor Partner services, lots of media partner content and access to other resource modules

CG manager

- A CG employee with privileges to affect order flow within different modules (e.g. accept a vendor partner bid in the bidding queue)
- Has password/username

Client

We are defining any Corporategear.com user (and possible revenue source as a client):
- Customer
- Reseller
- Vendor partner
- Media partner
- Business service partner

All clients are registered in a CG database.

Customer

An end-user of bought promotional products. Usually, we are referring to customers that buy products directly through the CG.C published retail catalog (product website) where CG.C is the reseller.

CG retail catalog

The portion of the vendor partner catalog that CG.C is reselling

CG Product Website (Published CG retail catalog)

- The CG.C product portion of its website – i.e., the CG retail catalog available on the web.
- All product images are branded with the CG.C logo
- CG's function as a reseller on the web

Custom Solutions

- CG's function as a "traditional" reseller

- Service is customized instead of standardized as on the CG Product Website function
- Not web-based

My Account

Customer information available to, and updateable by the customer on the CG Client Interface Websites (CG website)

Customer's Personal Retail Catalog

- Published products (and content) reflecting the preferences and customized environment of a CG registered customer.
- The portion preferentially seen by the customer when that customer browses the CG Product Website (by means of cookies, password, etc).

Order History

- Customer's records of previous orders and orders in progress visible to the customer on the CG Client Interface Websites (CG website)

Shopping Cart

- Unplaced orders.
- Unexpired quotations
- Visible to customer on the CG Client Interface Websites (CG website)

Term Account

- CG credit account
- 30 day credit for approved customers/CG Resellers/registered resellers
- Approval requires standard credit check protocol
- For high-volume clients only

Reseller

- Resellers in general - (formerly known as distributors) resell goods and services to the customer.
- In the CG.C context, will log on to Vendor Showcase Websites.

Registered Reseller

- Corporategear.com registered reseller.
- May have a Showcase Website.
- Eligible for % discounts from CG.C retail prices.
- Have access to entire Vendor Partner Catalog (not just CG retail catalog).

Registered Reseller Application

- The application to become a Registered Reseller.
- Process may require some form of validation

Subscription Level (Registered Reseller)

- Increasing number of standard services and benefits packaged together and offered to Registered Reseller in each consecutive level
- Levels offered at different prices
- Individual services can be added to any subscription level with additional charge

Reseller Discount

- Customized % discount from CG.C retail prices offered to an approved Registered Reseller.
- Does not apply to shipping or other business services.
- Does apply to Unit Price, Setup Price, and Run Charge.

Preferred Product List (Registered Reseller)

- Specific products chosen by a Registered Reseller from the Vendor Partner Catalog
- Can be published to create a Registered Reseller's Showcase Website

Showcase Website (Registered Reseller)

- A Registered Reseller can publish the Preferred Product List to create a Showcase Website based upon the same template as the CG Product Website (Published CG Retail Catalog).
- This showcase website is *separate* from the CG Product Website
- The website can have CG branded images or generic (non-cg branded) images

Company Logo Store

- A specialized Showcase Website carrying products branded only with a particular company's logo

Showcase Customer

- A general customer of a Registered Reseller using the Registered Reseller's showcase site
- Has no *direct* contact with CG.C

Profile Placement (Registered Reseller)

- Advertising for a reseller in vendor partner content subscriptions?

Registered Reseller to Customer Services

- Services that a Registered Reseller can offer a Customer/Showcase Customer transparently through CG.C

Registered Reseller Branded Quote Service

- A quotation for a Showcase Customer or a general Customer customized to reflect the Registered Reseller's brand and pricing

Account Summary (Registered R seller)

- Personalized report of Customer/Showcase Customer buying habits i.e. - compared to Showcase Website products (SKUs)

Change Order Fee (Registered Reseller)

- Charge for changes in the specifications of an order already in progress (approved and now a PO)

Registered Reseller Statement Service

- For Registered Reseller's personal use
- Created from quotes and acknowledgements

Registered Reseller Branded Invoice Service

- Invoices branded with the Registered Reseller's brand for Showcase Customers or general customers

Showcase Customer Order Bidding Queue

- An order bidding queue comprised of a particular Registered Reseller's Showcase orders
- The Registered Reseller has access/control for accepting/rejecting bids
- Portion of general Bidding Queue but associated with particular Registered Reseller with rejection/approval rights instead of CGManager(?)
- Ultimately CG still is controlling process

Showcase Customer Application Queue

- Registered Reseller approves/rejects Showcase Customer application for password that allows quote generation using Registered Reseller pricing

Vendor Partner

- Vendor partners are traditionally known as suppliers or simply vendors.
- Offer products and imprinting services (may be separate Vendor Partners for both).

Subscription Level (Vendor Partner)

- Increasing number of standard services and benefits packaged together and offered to Vendor Partner in each consecutive level
- Levels offered at different prices
- Individual services can be added to any subscription level with additional charge

Personal Vendor Partner Catalog

- Portion of the general Vendor Partner Catalog associated with one Vendor Partner
- Vendor Partner only has access for updates to her/his own catalog

Vendor Showcase W bsite (Published Personal Vendor Partner Catalogs)

- Personal Vendor Partner Catalog published on the web

CG Branded SKU (Product) Images

- Product images banded with the CG logo

Non-Branded SKU (Product) Images (Generic)

- Product images branded as they would be in a typical "Supplier Brochure", i.e. could have any brands on them or none at all

Product Placement

- Featuring a particular Vendor Partner Product in particular content

Search Position Program

- Allowing a particular Vendor Partner product to be "ranked higher" – i.e. appear sooner – in a particular search

Types of "Searches"

Product List

- General List of products (tree structure)

Price Point

- Price range (min, max)

Category

- Subtypes of product (e.g. hats, pens, etc.)

Idea or Department

- Categorizing of products as determined by content producers

Text Search

- Search by text appearing in product name, description, etc.

Account Summary (Vendor Partner)

- Personalized report of Customer/Showcase Customer buying habits i.e. - compared to Personal Vendor Partner Catalog/Vendor SHowcase Website products (SKUs)

Net price/charge

- Vendor Partner assigned prices for products/services – i.e. what the Vendor Partner charges

Manufacturer (Vendor Partner) Suggested Prices

- Prices that Vendor Partners suggest for retail resale

Retail Price

- Reseller's (including CG's) pricing (i.e. net price plus % markup)

B-to-B Retail

- Business-to-business retail

Vendor Partner to Reseller Services

- Services that a Vendor Partner can offer a Reseller transparently through CG.C

Vendor Showcase Website Reseller Quote

- Quotations for resellers from Vendor Showcase Website generated from net prices

Vendor Showcase Website Customer Quote

- Quotations for customers from Vendor Showcase Website generated from reseller retail prices

Change Order Service

- Allowing changes in order specifications after order confirmation
- Offered to Vendor Showcase Website Resellers

Invoice Service

- Offered to Vendor Showcase Website Resellers
- Branded invoices for Customers

Statement Service

- Offered to Vendor Showcase Website Resellers
- Created from quotations and acknowledgements

Quantity Breaks

- Vendor Partner defined production quantity ranges (with associated prices)

Reseller Application Queu   for Vendor Partner Approval

- Vendor Showcase Website Reseller applications for usernames and passwords end up in this queue

Vendor Partner Provided Reseller Option List

- Reseller Provisions by Vendor Partner i.e. Vendor Partner to Reseller Services
- This is the list that the Vendor Partner uses to decide what services are offered to Resellers on the Vendor Showcase Website

Vendor Partner/Reseller Order Queue

- Instead of a "Bidding Queue" (since only one Vendor Partner)
- Generated by orders placed on the Vendor Showcase Website
- Vendor Partner Approves/Rejects
- Separate from CG order processing modules

Change Order within Vendor Partner/Reseller Order Queue

- A Vendor Showcase Website Reseller's request to change the specifications of an existing order

PO

- Purchase Order
- Approved order request
- In case of Vendor Partner approval = artwork etc.
- In case of CG or Registered Reseller approval = approved bid (or bypass bidding process) since customer's placing an order based on a quotation is automated

Change Order

- A request to change the specifications of an approved order (PO)

Order Production Log

- An approved order request enters this stage where production progress is documented

Quote

- Total price of a potential order based on order specifications
- Customer accepts a quote and places an order to start the order process.
- Quotation generation process is automated on published GC retail catalog and optionally automated on showcase websites

Invoic

- A bill for services/goods sent to a client who is using a credit (term) account

Branded Invoice (e.g. r seller branded invoice)

- An invoice with a brand on it so it appears to have been generated by the sender instead of CG

Unit Price

- Price per unit within a quantity break (range)

Setup Price

- One time charge for "setting up" – e.g. creating imprinting plates for artwork

Run Charge

- Price for producing a particular quantity of promotional products (may or may not include setup price depending on whether first run or not)

Term Account

- Credit account for credit approved clients making high volume/high frequency orders

(Customer) Order Bidding Queue

- As soon as a customer places an order (from the CG Product Website or a showcase website) it enters this queue where Vendor Partners can bid on the job
- Vendor Partners who supply the product(s) in the order can bid
- A bid is approved either by a CG manager or a particular Registered Reseller depending on where the order originated
- There is a time limit of how long an order stays in the queue before defaulting to an order-associated vendor (could be 0 time depending on rush of order)

PO (Purchase Order) Queue

- Orders enter this queue after leaving the Customer Order Bidding Queue (part of the order processing module)

Imprint Method

- Method used to put artwork on a promotional product

Number of Imprint Locations

- Number of places artwork will be placed on a promotional product (e.g. sleeve, breast, and back of a golf shirt)
- May be different artwork associated with each location

Number of Imprint Colors

- Number of colors needed for artwork imprinting (e.g. four colors may require four color plates set up for a particular imprinting method – increasing the setup charge)

Media Partner

Media partners offer content - e.g. industry magazines, industry research organizations, expert columnists.

Business Service Partner

Business service partners offer services such as fulfillment, shipping, insurance, and financing. Any Corporategaer.com exchange client can use these services.

Community Module

- Products & services including content from media partners, business service partners, Corporategear.com research. Generally targeted to customers but sections will be targeted to CG Resellers and vendor partners

Content Subscription

- Articles, editorials, education, etc. relevant to the particular industry member
- May be written in-house or acquired from media partners
- Market research from media partners as well as gathered from CG resources

Acknowledgement

- Email confirmation of an action sent to a client

Artwork Library (Corporate Art Library)

- *Corporategear.com* allows clients to store corporate logos (artwork) securely in an "Art Library"
- This art is put onto the promotional products with an order

SKU

- STOCK KEEPING UNIT (to track items)
- A CG.C SKU is assigned to every single vendor partner product including variations within a product category (e.g. blue pen is different SKU from red pen)

Branded Promotional Products

- Branded promotional products are the advertising, sales promotion, and marketing communications media that employ useful or decorative merchandise imprinted with an advertiser's identification, message or logo.

Products

- In the CG context, promotional products that can be branded.

- Eventually will include non-brandable non-promotional products.
- Whatever merchandise vendor partners have to offer.
- Entered into the vendor partner database.